

# HOUSE BILL REPORT

## HB 2635

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### As Reported by House Committee On:

Health Care  
Appropriations

**Title:** An act relating to development of consolidated purchasing and administration of health care services.

**Brief Description:** Requiring the development of consolidated purchasing and administration of health care services.

**Sponsors:** Representatives Cody, Campbell, Schual-Berke, Conway, Dickerson, Berkey, Edwards, Chase, McIntire, Ogden, Jackley, Kenney and Kagi; by request of Governor Locke.

### Brief History:

#### Committee Activity:

Health Care: 1/29/02, 2/7/02 [DPS];

Appropriations: 2/9/02 [DPS(HC)].

#### Brief Summary of Substitute Bill

- Directs the administrator of the Health Care Authority, in concert with other state agencies involved in state purchased health care, to begin implementing consolidated health care purchasing and administration by January 1, 2003.

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### HOUSE COMMITTEE ON HEALTH CARE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Cody, Chair; Schual-Berke, Vice Chair; Campbell, Ranking Minority Member; Ballasiotes, Conway, Darneille, Edwards and Ruderman.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Alexander, Benson and Skinner.

**Staff:** Dave Knutson (786-7146).

### Background:

The state of Washington purchases or provides health care services through several state agencies. There are opportunities to maximize the purchasing power of the state through consolidated health care purchasing and organizing the state's health care programs and services more efficiently.

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**Summary of Substitute Bill:**

The administrator of the Health Care Authority, in concert with other state agencies involved in state purchased health care, will begin implementing consolidated health care purchasing and administration by January 1, 2003. The administrator is given broad authority to implement consolidated health care services purchasing and administration. The pros and cons of school districts, other political subdivisions, and the private sector participating in consolidated health care purchasing will be explored. The administrator will submit reports to the Legislature on the implementation of consolidated health care purchasing and administration, and on the pros and cons of school districts and educational service districts participating in consolidated health care purchasing activities.

**Substitute Bill Compared to Original Bill:**

Language directing the administrator of the Health Care Authority to design and implement public-private cooperative purchasing strategies is removed. The examination of consolidated purchasing and administration will focus on the pros and cons of the various options.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The state should pursue strategies to maximize its purchasing power as it relates to health care services. Greater administrative coordination can result in improved efficiencies.

**Testimony Against:** If the state exercises too much power in health care purchasing it can negatively affect the health care system and the private purchasing of health care. School district employees should not have their collective bargaining rights affected as they relate to health care negotiations.

**Testified:** (Support) Ree Sailors, Office of Financial Management-Policy; Ida Zodrow, Health Care Authority; Dennis Braddock, Department of Social and Health Services; and

Sam Cullison, Washington State Medical Association.

(Support with Concerns) David Westberg, AFL-CIO Stationary Engineers; and Jackie Der, University of Washington Medical Centers.

(Concerns) Mel Sorensen, Employer Healthcare Coalition; Greg Devereux, Washington Federation of State Employees; Randy Parr, Washington Education Association; and Mellani Hughes, Association of Washington Business.

(Opposed) Doug Nelson, Public School Employees.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill by Committee on Health Care be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Cody, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, Mastin, McIntire, Ruderman, Schual-Berke and Tokuda.

**Minority Report:** Do not pass. Signed by 10 members: Representatives Sehlin, Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cox, Lisk, Pearson, Pflug and Talcott.

**Staff:** Andrea Hardy (786-7349).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Health Care:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.